

**FORMATTING NOTE:**

In initiatives, legislative bills and other proposed measures, language that is to be deleted from current statutes is represented by a "strikethrough" character and language that is to be added is underlined. Because these special characters cannot be formatted in all Internet browsers, a different set of symbols is used for presenting these proposals on-line. The symbols are as follows:

- Text that is surrounded by (~~{- text here -}~~) is text that will be DELETED FROM the existing statute if the proposed measure is approved.
- Text that is surrounded by {+ text here +} is text that will be ADDED TO the existing statute if the proposed measure is approved.
- {+ NEW SECTION+} (found at the beginning of a section or paragraph) indicates that ALL of the text in that section will become law if the proposed measure is approved.

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**INITIATIVE 712**

AN ACT Relating to reducing real estate property taxes and directing the use of real estate excise taxes for school, park, and recreation facility funding; amending RCW 84.52.043, 84.55.010, and 82.46.010; reenacting and amending RCW 82.46.035; adding a new section to chapter 84.55 RCW; adding a new section to chapter 82.45 RCW; adding a new section to chapter 82.46 RCW; and creating a new section.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

{+ NEW SECTION. +} Sec. 1. This act may be known and cited as the property tax relief and real estate excise tax priority spending act.

Sec. 2. RCW 84.52.043 and 1995 c 99 s 3 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named shall be as follows:

(1) Levies of the senior taxing districts shall be as follows: (a) The levy by the state shall not exceed three dollars and (~~{- sixty -}~~) {+ twenty-four +} cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county shall not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district shall not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town shall not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value.

However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term

"junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection shall not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; and (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120.

{+ NEW SECTION. +} Sec. 3. A new section is added to chapter 84.55 RCW to read as follows:

The state property tax levy for collection in 2000 shall be reduced by ten percent of the levy amount that would otherwise be allowed under this chapter without regard to this section.

Sec. 4. RCW 84.55.010 and 1997 c 3 s 202 (Referendum Bill No. 47) are each amended to read as follows:

Except as provided in this chapter, the levy for a taxing district in any year shall be set so that the regular property taxes payable in the following year shall not exceed the limit factor multiplied by the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years{+ , except for the state which shall be the most recent year, +} in which such taxes were levied for such district plus an additional dollar amount calculated by multiplying the increase in assessed value in that district resulting from new construction, improvements to property, and any increase in the assessed value of state-assessed property by the regular property tax levy rate of that district for the preceding year.

{+ NEW SECTION. +} Sec. 5. A new section is added to chapter 82.45 RCW to read as follows:

(1) The legislative authority of the county in which a school district is located shall impose an excise tax upon the sale of real property at the rate of .128 percent of the selling price. This tax is in addition to other taxes authorized by law and shall be collected from all transactions taxed under RCW 82.45.060.

(2) The tax imposed under subsection (1) of this section shall be deducted from the amount of tax otherwise required to be collected under RCW 82.45.060 and paid over to the state treasurer under RCW 82.45.180.

(3) All revenues collected by the county under this section shall be placed in the common school construction fund under chapter 28A.515 RCW, to be used to fund construction of capital improvements to public schools or to repay bonded indebtedness incurred to fund construction of capital improvements to public schools. The funds shall not be used for maintenance or operation of school districts. The county may reserve two percent of the tax imposed under this section for administrative expenses in collecting and remitting those proceeds.

(4) Once a county imposes the tax under this section, the county and all cities and towns within the county shall not:

(a) Impose fees under RCW 82.02.050 through 82.02.100 on the construction, reconstruction or remodeling of residential housing to pay for school facilities;

(b) Condition or deny a division of land under chapter 58.17 RCW on

the ground that the proposed plat does not make appropriate provisions for sites for schools and school grounds; or

(c) Condition or deny construction, reconstruction, or remodeling of residential housing under chapter 43.21C RCW on the ground that such action has an adverse environmental impact relating to school capacity which must be mitigated upon the payment of fees to fund acquisition or rental of land, construction of capital facilities on school grounds, or acquisition or rental of school facilities.

(5) After a county planning under chapter 36.70A RCW imposes the tax under this section, the county and all cities and towns within such counties shall amend the capital facilities element of their comprehensive plans to reflect that the tax under subsection (1) of this section has replaced any funding sources in subsection (4)(a) through (c) of this section previously relied upon in their comprehensive plan.

Sec. 6. RCW 82.46.010 and 1994 c 272 s 1 are each amended to read as follows:

(1) The legislative authority of any county or city shall identify in the adopted budget the capital projects funded in whole or in part from the proceeds of the tax authorized in this section, and shall indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

(2) The legislative authority of any county or any city may impose an excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. The revenues from this tax shall be used by any city or county with a population of five thousand or less and any city or county that does not plan under RCW 36.70A.040 for any capital purpose identified in a capital improvements plan and local capital improvements, including those listed in RCW 35.43.040{+ ; provided that the revenues shall first be applied to remedy any deficiencies in park, open space, recreational facility, and trail needs as identified in the capital improvements plan or any other comprehensive planning document of the county or city +}.

After April 30, 1992, revenues generated from the tax imposed under this subsection in counties over five thousand population and cities over five thousand population that are required or choose to plan under RCW 36.70A.040 shall be used solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan and housing relocation assistance under RCW 59.18.440 and 59.18.450{+ ; provided that the revenues shall first be applied to remedy any deficiencies in park, open space, recreational facility, and trail needs identified in the capital facilities element of the comprehensive plan +}. However, revenues (a) pledged by such counties and cities to debt retirement prior to April 30, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to April 30, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

(3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the legislative authority of any county or any city may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-half of one percent of the selling price.

(4) Taxes imposed under this section shall be collected from

persons who are taxable by the state under chapter 82.45 RCW upon the occurrence of any taxable event within the unincorporated areas of the county or within the corporate limits of the city, as the case may be.

(5) Taxes imposed under this section shall comply with all applicable rules, regulations, laws, and court decisions regarding real estate excise taxes as imposed by the state under chapter 82.45 RCW.

(6) As used in this section, "city" means any city or town and "capital project" means those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and/or judicial facilities; river and/or waterway flood control projects by those jurisdictions that, prior to June 11, 1992, have expended funds derived from the tax authorized by this section for such purposes; and, until December 31, 1995, housing projects for those jurisdictions that, prior to June 11, 1992, have expended or committed to expend funds derived from the tax authorized by this section or the tax authorized by RCW 82.46.035 for such purposes.

Sec. 7. RCW 82.46.035 and 1992 c 221 s 3 and 1991 sp.s. c 32 s 33 are each reenacted and amended to read as follows:

(1) The legislative authority of any county or city shall identify in the adopted budget the capital projects funded in whole or in part from the proceeds of the tax authorized in this section, and shall indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

(2) The legislative authority of any county or any city that plans under RCW 36.70A.040(1) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not exceeding one-quarter of one percent of the selling price. Any county choosing to plan under RCW 36.70A.040(2) and any city within such a county may only adopt an ordinance imposing the excise tax authorized by this section if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district or at a special election within the taxing district called by the district for the purpose of submitting such proposition to the voters.

(3) Revenues generated from the tax imposed under subsection (2) of this section shall be used by such counties and cities solely for financing capital projects specified in a capital facilities plan element of a comprehensive plan{+ ; provided that the revenues shall first be applied to remedy any deficiencies in park, open space, recreational facility, and trail needs identified in the capital facilities element of the comprehensive plan +}. However, revenues (a) pledged by such counties and cities to debt retirement prior to March 1, 1992, may continue to be used for that purpose until the original debt for which the revenues were pledged is retired, or (b) committed prior to March 1, 1992, by such counties or cities to a project may continue to be used for that purpose until the project is completed.

(4) Revenues generated by the tax imposed by this section shall be deposited in a separate account.

(5) As used in this section, "city" means any city or town and "capital project" means those public works projects of a local

government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

(6) When the governor files a notice of noncompliance under RCW 36.70A.340 with the secretary of state and the appropriate county or city, the county or city's authority to impose the additional excise tax under this section shall be temporarily rescinded until the governor files a subsequent notice rescinding the notice of noncompliance.

{+ NEW SECTION. +} Sec. 8. A new section is added to chapter 82.46 RCW to read as follows:

(1) Any county or city that imposes an excise tax on the sale of real property as allowed under RCW 82.46.010 or 82.46.035 shall not:

(a) Impose fees under RCW 82.02.050 through 82.02.100 on the construction, reconstruction, or remodeling of residential housing to pay for parks, open spaces, or recreational facilities;

(b) Condition or deny a division of land under chapter 58.17 RCW on the ground that the proposed plat does not make appropriate provisions for parks, open spaces, or recreational facilities;

(c) Condition or deny construction, reconstruction, or remodeling of residential housing under chapter 43.21C RCW on the ground that such action has an adverse environmental impact relating to increased park, open space, or recreational facility use which must be mitigated upon the payment of fees to fund acquisition or rental of land, construction or expansion of recreational facilities, or construction of capital facilities to serve parks, open spaces, or recreational facilities.

(2) Counties and cities imposing either or both excise taxes listed in subsection (1) of this section shall amend the capital facilities element of their comprehensive plans to reflect that the local real estate excise tax collected by that jurisdiction shall first be applied to park and recreational facility deficiencies and the funding sources listed under subsection (1)(a) through (c) of this section will no longer be relied upon.

{+ NEW SECTION. +} Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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